

The Formation Mechanism and Evaluation of Social Enterprises Oriented by Social Entrepreneurship

WANG Zhong, MENG Liying, HAN Jun

This book mainly focuses on the discovery of entrepreneurial opportunities by social entrepreneurs and the acquisition of entrepreneurial resources by venture philanthropy for social entrepreneurship. It also evaluates the performance of social enterprises. The book mainly concerns social entrepreneurs, identification of entrepreneurial opportunity and the performance of social enterprises. It conducts theoretical and empirical research from multiple perspectives and provides relevant management suggestions..

Shantou University Press

Ministry of Education Humanities and Social Sciences Research Project (Grant No. 17YJA630096); 2017 research project on the teaching reform of Hunan Province's colleges and universities of The Ministry of Education's Cooperative Education Project (Grant No. 201801331016, 201801332026).

The Formation Mechanism and Evaluation of Social Enterprises Oriented by Social Entrepreneurship

WANG Zhong, MENG Liying, HAN Jun

Shantou University Press

CIP Data

The Formation Mechanism and Evaluation of Social
Enterprises Oriented by Social Entrepreneurship / WANG
Zhong, MENG Liying, HAN Jun -- Shantou: Shantou
University Press, 2018.12
ISBN 978-7-5658-3773-9

I. ①The Formation Mechanism and Evaluation of Social Enterprises Oriented by
Social Entrepreneurship II. ①WANG Zhong ②MENG Liying ③HAN Jun III. ①
Philanthropy Research IV. ①C913.7

Cataloging in Publication Data (2019) No.026530

THE FORMATION MECHANISM AND EVALUATION OF SOCIAL ENTERPRISES ORIENTED BY SOCIAL ENTREPRENEURSHIP

Author: WANG Zhong, MENG Liying, HAN Jun
Editor in Charge: SONG Qianqian
Technical Editor in Charge: HUANG Dongsheng
Cover Designer: Goowind Studio
Publisher: Shantou University Press
Shantou University, 243 Daxue Road, Shantou City, Guangdong
Province 515063
Telephone: 0754-82904613
Printing Unit: Beijing Hucais Culture Communication Co., Ltd.
Format: 710 mm × 1000 mm 16mo
Printed Sheets: 17
Word Count: 260,000 words
Edition: 1st edition in December 2018
Impression: 1st impression in March 2019
Pricing: 48.00 yuan

ISBN 978-7-5658-3773-9

All rights reserved.

If you find any quality problems in the printing, please contact the printing factory for replacement.

Contents

Chapter I	Introduction.....	01
Chapter II	Social Entrepreneurs.....	04
Section I	Social Capital of Social Entrepreneurs.....	04
Section II	Experience of Social Entrepreneurs.....	12
Chapter III	Identification of Entrepreneurial Opportunity.....	16
Section I	Entrepreneurial Opportunity Identification.....	16
Section II	The Influence of Social Capital on Entrepreneurial Opportunities.....	21
Section III	Empirical Analysis.....	38
Chapter IV	Evaluation on Social Enterprises Performance.....	74
Section I	Social Enterprise Performance.....	74
Section II	Motivation and Advantages of Evaluation on Social Enterprise Performance.....	77
Section III	Factors Analysis of Evaluation on Social Enterprise Performance.....	82
Section IV	Construction of Index System for the Evaluation on Social Enterprise Performance.....	87
Section V	Empirical Research	104
Chapter V	The Impact on Social Enterprises Performance.....	125
Section I	The Influence of Venture Philanthropy on Social Enterprises Performance.....	125
Section II	The Influence of Experience on Social Enterprises Performance..	159

Chapter VI	Ecological Environment of Social Enterprises.....	192
Section I	Social Entrepreneurship Ecosystem.....	192
Section II	Evaluation of Social Enterprises Ecological Niche.....	208
Section III	Suitability Evaluation of Social Entrepreneurship Ecosystem.....	234

|Chapter I |

Introduction

Since the 1970s, social entrepreneurship, as a brand-new upsurge in pursuit of both social and economic benefits, has sprung up in the world. Before the emergence of social enterprises, the social economy developed at a high speed. Although the proud achievements had been made in various countries, there were also social problems such as environmental pollution, poverty gap widening and left-behind population increasing. In the face of some of these problems however, market failure and government failure have resulted that problems cannot be solved for the time being. In order to deal with this challenge, relevant departments were trying to find a solution. After continuous exploration, people found that integrating social problems into the strategy of enterprise development not only helps to solve social problems, but also can obtain economic benefits. Therefore, social enterprises characterized by mixed organizations emerged as the times require (Dennis, 2001). Its goal is to create economic and social values by bridging the obvious boundaries between the previous non-profit, private and public sectors with enterprise behaviors and integrating profit-making and non-profit behaviors. Practice in United Kingdom, the United States and other countries showed that social enterprises have played a unique and important role in improving public services, driving economic growth, expanding social employment, reducing social poverty, enhancing social cohesion and promoting social integration. According to a survey conducted by Global Entrepreneurship Monitor in 2004, British social enterprises have emerged faster than traditional enterprises and created more jobs than traditional commercial enterprises did. In 2007, Drucker pointed out in his book -- *Managing the Non-profit Organization* that social enterprises will become an important force in the future economic development and may grow into a real growth sector in the developed economic system in the post-capitalist era.

As the main form of social entrepreneurship, social enterprises are of significance in solving social problems, which has attracted widespread attention. Harvard University, Yale University, Oxford University, Northampton University and other world-renowned business schools have successively opened research centers related to social enterprises to conduct research on social entrepreneurship and social enterprises. Since September 2004, Harvard Business School has started to recruit doctoral students in social entrepreneurship; the SAID Business School of Oxford

University has been offering relevant entrepreneurship courses for more than 10 years. In 2004, China introduced the concept of social enterprise for the first time, and some domestic universities have also built related research centers, such as the Social Enterprise Research Center of Shanghai University of Finance and Economics and the China Social Entrepreneurship Research Center of Hunan University. In April 2006, *How to Change the World: Social Entrepreneurs and the Power of New Ideas* was published by New Star Press, which is the first translation works on social enterprises in China. In 2009, China Machine Press published the translated version of *Social Entrepreneurship* for people to learn the foreign development experience in social entrepreneurship and social enterprises. Subsequently, more and more scholars began to write and translate books related to social entrepreneurship. In academic research, scholars have gradually started to carry out relevant theoretical and empirical research with social entrepreneurship and social enterprises as key words. Rising academic research results show that academic circles are paying more and more attention to social enterprises.

In the field of practice, with the deepening of the introduction of the concept of social enterprise, China's social enterprise practice has also made initial development. For example, a number of successful social enterprises such as Shenzhen Care Canyou Volunteer Association, Tianjin Hetong Welfare Association for the Elderly and Shanghai Miaoxin Home Economics Company have emerged. At the same time, the establishment of the Shanghai non-profit incubator has laid a relatively stable foundation for the development of social enterprises. The positive development and gradual improvement of social enterprises can effectively relieve the pressure on the supply of public services and public products and alleviate the contradictions among the socially vulnerable groups. It can also play multiple roles in enhancing corporate social responsibility and promoting marketization.

With the deepening of the market economy, the government has begun to pay attention to the development of social enterprises and their social status is gradually improving. However, the development of social enterprises is not very mature, for example, the business mode is relatively simple, the effective operation capacity is insufficient, and the product or service provided is relatively single. To achieve social goals, social enterprises must first maintain their sustainable development by creating economic value. Compared with commercial enterprises that aim to maximize profits, social enterprises are obviously less competitive in the market. How to improve their competitiveness and gain a place in the market has become a problem that social enterprises need to consider. Based on this, in order to promote the development of social enterprises and improve their efficiency in solving social problems, it is very important to carry out academic research related to social enterprises. Based on the recent multi-angle research of this research team, this book summarized all the research results. On the one hand, the research results are summarized and concluded. On the other hand, it is helpful to provide reference for future research.

Since the research on social enterprises is a systematic project, this book is a summary of the research results of this research team on various aspects of social enterprises. The results mainly include research related to social entrepreneurs, research related to the identification of entrepreneurial opportunities, research related to social enterprises, and research related to social entrepreneurship ecosystem. Above four aspects are the main research objects, with which theoretical and empirical studies are carried out from multiple perspectives. The specific arrangement of this book is as follows:

Chapter I Introduction

Chapter I, Introduction. This part mainly introduces the background that the research team conducted related studies, that is, it, by learning from the development experience of foreign social enterprises and combining the theoretical research and practical activities on social enterprises in China, points out the importance of further research on social enterprises. In addition, the specific arrangement of each chapter detailed here.

Chapter II, Social Entrepreneurs. This part mainly focuses on social entrepreneurs. On the one hand, it analyzes the interpretation and characteristics of social capital of social entrepreneurs and how to measure the social capital of social entrepreneurs. On the other hand, the interpretation and classification of the experience of social entrepreneurs is analyzed.

Chapter III, Identification of Entrepreneurial Opportunity. On the one hand, from the perspective of entrepreneurial opportunity identification, this part analyzes the interpretation and definition of entrepreneurial opportunity identification and explores the influencing factors of that. On the other hand, it studies the internal impact mechanism of the social capital of social entrepreneurs on the identification of entrepreneurial opportunities and verifies the research hypothesis through empirical research analysis.

Chapter IV, Evaluation on Social Enterprises Performance. This chapter constructs the evaluation system for social enterprise performance. The meaning of social enterprise performance is deeply studied and the mechanism of social enterprise performance evaluation is analyzed first of all. And then, the indicators are screened, and the social enterprise performance evaluation system is established by referring to the previous research experience.

Chapter V, The impact on Social Enterprises Performance. This part is mainly based on empirical analysis. The impact of venture philanthropy and social entrepreneurs' experience on the social enterprises performance is studied respectively based on previous research. With mechanism analysis, models are built and hypotheses are proposed to conduct empirical analysis, verify hypotheses and draw conclusions.

Chapter VI, Ecological Environment of Social Enterprises. This part starts from two levels. One focuses on the environment in which social enterprises live, i.e. the social entrepreneurship ecosystem. It analyzes each part of the social entrepreneurship ecosystem and evaluates each part by constructing the suitability evaluation system of the social entrepreneurship ecosystem to judge whether the ecological environment in which social enterprises live matches its development direction. The other evaluates the position of social enterprises in the social entrepreneurship ecosystem, namely their own ecological niche. With the establishment of the evaluation system of social enterprise niche, it can judge whether social enterprises are in a favorable position in the ecosystem.

The main line of this book is in accordance with the development that social entrepreneurs discover entrepreneurial opportunities and access to entrepreneurial resources by venture philanthropy for social entrepreneurship. In addition, the book evaluates the suitability of the social entrepreneurship ecosystem and the niche of social enterprises. The book covers a broad content and pays more attention to research directions in the field of social enterprises, to provide basic reference for future research.

ISBN 978-7-5658-3773-9



Pricing: 48.00 yuan